

**ANNUAL REPORT
OF THE
REGULATORY FLEXIBILITY
COMMITTEE**



**Indiana Legislative Services Agency
200 W. Washington Street, Suite 301
Indianapolis, Indiana 46204**

November, 2000

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REGULATORY FLEXIBILITY COMMITTEE

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A copy of this report is available on the Internet. Reports, minutes, and notices are organized by committee. This report and other documents for this Committee can be accessed from the General Assembly Homepage at <http://www.state.in.us/legislative/>.

I. STATUTORY AND LEGISLATIVE COUNCIL DIRECTIVES

Under IC 8-1-2.6-4, the Regulatory Flexibility Committee is required to monitor competition in the *telecommunications industry*. The Committee is required to consider the following issues:

- (1) The effects of competition on available subsidies used to maintain universal service.
- (2) The status of modernization of the public telephone network in Indiana and the incentives required to further enhance this infrastructure.
- (3) The effects on economic development and educational opportunities of modernization.
- (4) The current method of regulating telephone companies and the method's effectiveness.
- (5) The economic and social effectiveness of current telephone service pricing.

Under IC 8-1-2.5-9, the Committee is also required to monitor changes and competition in the *energy utility industry*, including the following issues:

- (1) The effects of competition or changes in the energy utility industry and the impact of the competition or changes on the residential rates.
- (2) The status of modernization of the energy utility facilities in Indiana and the incentives required to further enhance this infrastructure.
- (3) The effects on economic development of this modernization.
- (4) The traditional method of regulating energy utilities and the method's effectiveness.
- (5) The economic and social effectiveness of traditional energy utility service pricing.
- (6) The effects of legislation enacted by the United States Congress.

In 2000, the Legislative Council directed the Committee to do the following:

- (1) Study the issues relating to the provision of video and voice coverage of sessions of the general assembly through the Internet or a cable television service (HR 22).
- (2) Study the issue of utility subsidies to affiliates or unregulated activities (HR 59).
- (3) Study the topic of merchant power plants (HCR 81, SCR 34).
- (4) Review the issue of open access to Internet services (SCR 48).

II. SUMMARY OF WORK PROGRAM

The Committee met three times during the 2000 interim session on October 10, 2000, October 17, 2000, and October 18, 2000.

On October 10, 2000, the Indiana Utility Regulatory Commission (IURC) presented its annual report on the energy industry to the Committee. The Committee also received testimony on merchant power plants and on utility subsidies to affiliates. The Committee made no recommendations on these topics.

On October 17, 2000, the IURC presented its annual report on the telecommunications industry to the Committee. The Committee received other testimony on the telecommunications industry and testimony concerning open access to Internet services. The Committee made no recommendations on these topics.

On October 18, 2000, the Committee received testimony concerning the potential for video and voice coverage of the General Assembly. The Committee also heard testimony concerning the fulfillment of professional licensing requirements through distance learning, as well as testimony concerning rural electric cooperatives that provide propane gas to customers. The Committee made no recommendations on these topics.

Meeting minutes for the Committee can be accessed from the General Assembly Homepage at <http://www.state.in.us/legislative/>.